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Curtis Publishing Sells 2 Magazines

100,000 Shares
Is Price Paid
by Downe

By ROBERT F. BEDINGFIELD

The Curtis Publishing Company, stranded by changes in public taste, yesterday sold two of its magazines, The Ladies Home Journal and American Home, to Downe Communications, Inc.

Downe, which was organized last December, gave 100,000 share of its stock, about 9 per cent of the total outstanding, for the two Curtis magazines. Downe's stock was quoted on Tuesday in the over-the-counter market at 54.

"Basically we'll keep the stock," Curtis's president, Martin S. Ackerman, said in a telephone interview yesterday. He stressed that the Downe stock could be used by Curtis for an additional \$5-million of loans if that becomes necessary.

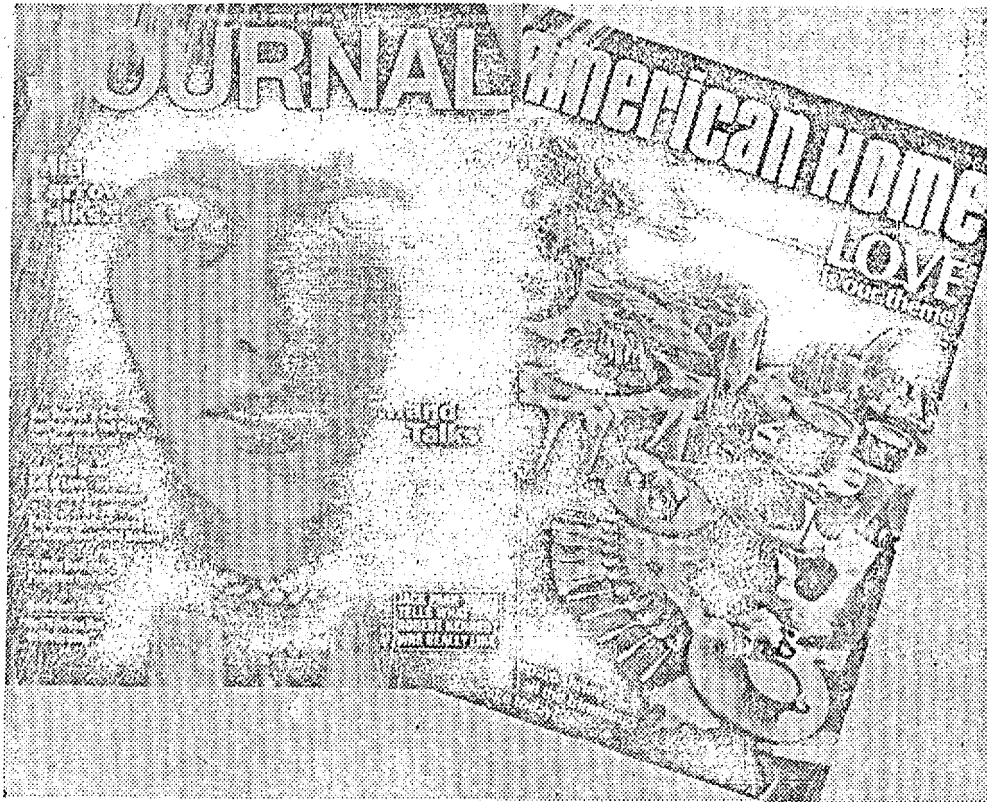
Curtis now owes about \$5.5-million to the First National Bank of Boston. It has another loan of \$5-million from the Perfect Film & Chemical Corporation, of which Mr. Ackerman is president, and a \$2.5-million loan from Time, Inc.

Under a loan agreement reached last May, Curtis is expected to borrow another \$2.5-million next month from Time, which has offered to take over a substantial portion of the circulation of the money-losing Saturday Evening Post, Curtis's biweekly flagship magazine.

Mr. Ackerman said that he expected that Curtis would pledge the Downe stock "fairly fast" for additional bank credit. He stressed, however, as a result of the borrowings from Perfect Film and Time, that Curtis's present financial position "is excellent."

The company has not yet issued its income account for the first six months of 1968 and has asked the Securities and Exchange Commission for a 60-day extension for filing the report, Mr. Ackerman said. He said that the accounts currently were being prepared by Curtis's auditors, Touche Ross, Bailey & Smart.

At the annual stockholders' meeting last May, the Curtis and Hubbard Cobb, editor, and executive estimated that in the first three months of this year the company had incurred a \$1.6-million net loss. In calendar 1967 it showed a net loss of \$4,839,000.



Magazines sold yesterday by Curtis Publishing Company to Downe Communications, Inc.

The Ladies Home Journal, founded in 1883 by Cyrus H. K. Curtis, has a circulation of 6.8 million, down from the record 7.1 million reached in 1962; the American Home, which Curtis bought in 1958 has a current circulation of 3.6 million. Its peak circulation was 3.7 million, also reached in 1962.

Mr. Ackerman, who has headed Curtis only since last April, said the sale of the two magazines was in line with his previously announced plans to remove Curtis from the "mass circulation" market. He said that Downe, which publishes Family Weekly, a newspaper magazine with a circulation of more than 5.6 million, and which also has substantial holdings in the Bartell Media Corporation "is in a better position to develop the magazines than Curtis."

The Curtis president insisted, however, that his company will continue publishing The Saturday Evening Post, Holiday, Jack & Jill and Status magazines. It only acquired Status last month.

John Mack Carter, editor and publisher of The Journal, and Hubbard Cobb, editor, and executive estimated that in the first three months of this year the company had incurred a \$1.6-million net loss. In calendar 1967 it showed a net loss of \$4,839,000.

Curtis expects to continue to print The Journal and American Home at its big Sharon Hill, Pa., plant for Downe. It also expects its subsidiary, the New York and Pennsylvania Company, to supply paper for both magazines. Corporate advertising discounts between Curtis magazines and both The Journal and American Home will be maintained.

The sales agreement also provides for Downe to occupy two floors of the Curtis Publishing Building at 641 Lexington Avenue here.

In a joint announcement issued with Mr. Ackerman, Edward R. Downe Jr., president of Downe, said that with the acquisition of the two magazines his company, along with Family Weekly, will have a total monthly circulation of more than 34 million.

"We have complete and implicit faith in the publishing character of Ladies Home Journal and American Home," Mr. Downe said, "and we plan to increase their growth and advertising." He noted that since January, 1966, circulation of Family Weekly had risen by 22 per cent and advertising income by 60 per cent.

Other Curtis Enterprises

Downe also publishes Cat Fancy, a pet magazine. Its

Books & Periodicals, Inc., subsidiary, prints and sells single volume and continuity book series by mail. It owns Jacquet, a cosmetics concern; Greenland Studios and Madison House, which sells products through catalogs and media advertising; Zenith Industries, a pet supply products company and Campbell-Reynolds, advertising representatives for magazine publishers.

Earlier this year Downe purchased 650,000 shares of common stock of the Bartell Media Corporation and took an option to buy an additional 105,000 shares. Bartell owns radio stations, consumer and trade magazines, has CATV (community antenna television) systems, and owns hard and soft cover book divisions in addition to its own magazine distribution company.

Downe's gross revenues with the acquisition of the two former Curtis magazines should reach an indicated \$120-million, Mr. Ackerman noted. The company's various divisions in the 10 months to Oct. 31, 1967, had net sales of \$9.1-million. Net income was \$485,000, equal to 61 cents a share on the 800,000 shares of stock outstanding.

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Martin S. Ackerman, head
of the Curtis organization.